

**The Law of Information Technology and Electronic Commerce**

**(337HF)**

**CENTRE FOR  
INNOVATION LAW  
AND POLICY**



**Course Materials**

**Fall 2001**

**Instructor: Mr. Richard Owens**

**Faculty of Law**

**University of Toronto**

**VOLUME II**

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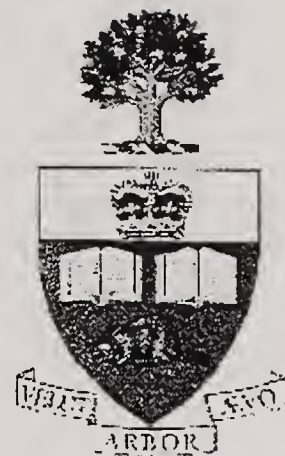
FACULTY OF LAW  
UNIVERSITY OF TORONTO

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# The Law of Information Technology and Electronic Commerce (337HF)\*

Mr. Richard Owens


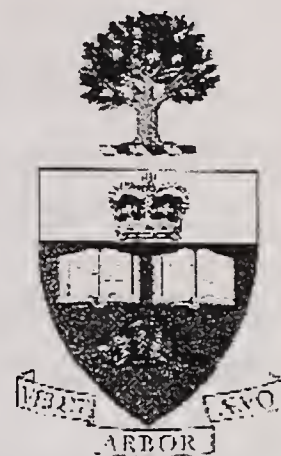
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Centre Website: [www.innovationlaw.org](http://www.innovationlaw.org)

Mondays 4.00-5.50 p.m.



CENTRE FOR  
INNOVATION LAW  
AND POLICY

## **Course Description**

The course will first examine the foundation of intellectual property laws on which information technology law rests, including the peculiarities of their adaptations to information technology. The course will then proceed by moving through a mock electronic commerce project. Each of the many steps to be considered in the creation of an electronic commerce web site will be reviewed in as much depth as time permits. Issues of taxation, consumer protection, privacy codes, good web site practices, web-hosting software development, and systems integration agreements, public key cryptography, jurisdiction, regulation and others will all be considered. Many of these lessons will be applicable to information technology law generally, and not just to electronic commerce.

## **Materials**

The course outline is available on the Centre's website at [www.innovationlaw.org](http://www.innovationlaw.org). The course materials will consist of a combination of printed and electronic materials. Only core materials (indicated by a "\*", followed by two numbers which refer to the volume number and page number in the printed case book)<sup>#</sup> have been reproduced in the printed case book. Additional references have generally not been reproduced in the printed materials but are listed in the outline and in most cases available online.

## **Evaluation**

Students may choose from the following methods of evaluation:

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\* Course materials were prepared with the assistance of John Davidson, Graduate Fellow, Centre for Innovation Law & Policy.

<sup>#</sup> Please note that the page numbering restarts at 1 for Volume III.



- a) 3 hour examination, worth 100% of the course assessment;
- b) 1 paper of 20-30 pages, worth 100% of the course assessment (DUE: 20 December 2001); or
- c) 2 papers, each of 10-15 pages, each worth 50% of the course assessment (DUE: 12 November and 20 December 2001).

Students who choose option b) or c) are asked to email me before week 5 of term to have their paper topics approved.

## Useful References

Students who wish to do further reading may find the following materials useful:

### *Texts*

- ♦ S. Burshtein, *The Corporate Counsel Guide to Intellectual Property Law*, (Aurora, Ontario: Canada Law Book, 2000). [KE2779.B87 2000 LAW]
- ♦ A.M. Gahtan, M.P.J. Kratz & J.F. Mann, *Internet Law: A Practical Guide for Legal and Business Professionals*, (Scarborough, Ontario: Carswell, 1998) [KF242.C6G32 1998]
- ♦ M. Geist, *Internet Law in Canada*, (Toronto: Captus Press, 2000) [KE452.C6G44 2000 – Short Term Loan]
- ♦ S. Perrin *et al.*, *The Personal Information Protection and Electronic Documents Act: An Annotated Guide*, (Toronto: Irwin Law, 2001) [KE4422.A31P47 2001 – Short Term Loan] [also available on Quicklaw]
- ♦ B. Sookman, *Sookman Computer, Internet and Electronic Commerce Law*, (Toronto: Carswell, 1991-) (4 vol. loose-leaf) [KE452.C6S66 LAW – Non-circulating]
- ♦ G. Takach, *Contracting for Computers: A Practical Guide to Negotiating Effective Contracts*, (Whitby, Ontario: McGraw Hill, 1989) [KF 905 C6 T34]
- ♦ G. Takach, *Computer Law*, (Toronto: Irwin Law, 1998). [KF390.5.C6T26 1998 LAWC – Short Term Loan] [also available on Quicklaw]
- ♦ D. Vaver, *Intellectual Property Law: Copyright, Patents, Trademarks*, (Concord, Ontario: Irwin Law, 1997). [KF2979.V38 1997 LAWC – Short Term Loan] [also available on Quicklaw]
- ♦ D. Vaver, *Copyright Law*, (Toronto: Irwin Law, 2000). [KE2799.V38 2000 – Short Term Loan] [also available on Quicklaw]

## **Websites**

### *International Cyberlaw-Related Centres*

- ♦ [Centre for Innovation Law and Policy](#) – see in particular the various [research guides](#) (top of left side panel)
- ♦ [Berkman Center for Internet and Society](#) – at Harvard Law School
- ♦ [Australian Communications Law Centre – OzNetLaw](#) – see in particular the various [fact sheets](#)
- ♦ [Center for Democracy and Technology](#)
- ♦ [Electronic Frontier Foundation](#)

### *Cyberlaw Resource Portals*

- ♦ [Canadian Internet Law Resource Page](#) (compiled by Professor Michael Geist)
- ♦ [John Marshall Law School Cyberspace Law Subject Index](#)
- ♦ [Perkins Coie LLP Internet Case Digest](#)

## **Subscription to BNA's Daily "Internet Law News" Service**

In order to keep up with developments in information technology law, students are encouraged to subscribe to BNA's free daily "[Internet Law News](#)" email bulletin.

## **Technical Terminology**

Students new to the terminology of computers and the Internet may, on occasions, wish to consult the following online dictionaries of technology terminology:

- ♦ [TechEncyclopedia](#)
- ♦ [Webopedia](#)

## Course Schedule

Week	Date	Topic
1	10 September	Introduction to the course and the case study (Bizsmart.com) Project Planning and Methodology/List of Players
2	17 September	Technology
3	24 September	Introduction to Regulation of the Internet
4	1 October	Intellectual Property – Trademarks and Patents & Trade Secrets
5	8 October	Intellectual Property – Copyright
6	15 October	Intellectual Property – Copyright
7	22 October	Technology Contracting
8	29 October	Jurisdiction
	5 November	<b>READING WEEK</b>
9	12 November	Privacy/Privacy Codes/Website Terms of Use <b>First Short Paper Due (optional)</b>
10	19 November	Consumer Protection Electronic Payment Mechanisms
11	26 November	Taxation of Electronic Commerce
12	3 December	Regulation of Specific Industries Regulation of Online Defamation Summary and Wrap-up
	20 December	<b>Second Short Paper Due (optional)</b> <b>Long Paper Due (optional)</b>



## **Course Outline**

### **1. Introduction**

#### **(a) Introduction to Electronic Commerce**

##### **Recommended Resources:**

- ♦ Industry Canada, ebiz.enable: e-business B2B Resource, (Industry Canada Website, 2001) [\*I 1]

#### **(b) Introduction to Cyberlaw**

##### **Recommended Resources:**

- ♦ L. Lessig, “The Law of the Horse” (1999) 113 *Harv. L. Rev.* 501 (footnotes omitted) [\*I 2]

##### **Additional References (optional):**

- ♦ D.R. Johnson & D.G. Post, “Law and Borders--The Rise of Law in Cyberspace” (1996) 48 *Stan. L. Rev.* 1367
- ♦ J.L. Goldsmith, “Against Cyberanarchy” (1998) 65 *U. Chi. L. Rev.* 1199

#### **(c) Introduction to the Technology – Canadian Judicial Considerations of the Internet**

##### **Recommended Resources:**

- ♦ Re Statement of Royalties to Be Collected for the Performance or the Communication by Telecommunication of Musical or Dramatico-Musical Works (Tariff 22 – Transmission of Musical Works to Subscribers Via a Telecommunication Service Not Covered Under Tariff Nos. 16 or 17) (Phase I: Legal Issues) 1 C.P.R. (4<sup>th</sup>) 417 (Copyright Board of Canada Website, 1999) (Section II. The Internet [at pages 10-25 of Copyright Board version and pages 430-441 of C.P.R.] only) [\*I 23]
- ♦ *British Columbia Automobile Assn. v. Office and Professional Employees' International Union, Local 378* [2001] B.C.J. No. 151 (B.C. Sup. Ct.) (paras. 16-33 only) [\*I 60]

#### **(d) Introduction to the Relevance of U.S. and other Foreign Jurisprudence**

##### **Recommended Resources:**

- ♦ *Delrina Corp. v. Triolet Systems Inc.* (1993), 47 C.P.R. (3d) 1 (O.C.G.D.) [currently on appeal] (pages 28-33 only) [\*I 99]

- ♦ M. Racicot *et. al.*, The Cyberspace is Not a “No Law Land”: A Study of the Issues of Liability for Content Circulating on the Internet, (Industry Canada, 1997) (pages 31-32 of report only) [\*I 143]

(e) **Case Study – Bizsmart.com – Bizsmart Homepage**

## **2. Technology**

Materials will be distributed in class.

## **3. Introduction to Regulation of the Internet**

(a) **Overview**

**Recommended Resources:**

- ♦ M. Racicot *et. al.*, The Cyberspace is Not a “No Law Land”: A Study of the Issues of Liability for Content Circulating on the Internet, (Industry Canada, 1997) (section I. Summary only) [\*I 143]

(b) **Alternative Approaches to Regulation**

*(i) CRTC Decision not to Regulate the Internet*

**Recommended Resources:**

- ♦ Canadian Radio-television and Telecommunications Commission (CRTC), New Media Final Report, May 17, 1999 (CRTC Website, 1999) [\*I 175]

*(ii) Quebec Language Regulation*

**Recommended Resources:**

- ♦ Québec Charter of the French Language, Chap. VII. The Language of Commerce and Business (Québec Office of the French Language website) [\*I 203]
- ♦ Québec Office of the French Language, The Charter of the French Language and Web Sites, (Québec Office of the French Language website, 1997) [\*I 207]
- ♦ H. Schneider, "Quebec Firm Ensnared in Language Web: Agency Insists French be Featured on Internet," *The Washington Post* (19 June 1997) (Electronic Frontier Canada Website)
- ♦ M. Friedman, "English Only? Non!," *Wired News* (8 June 1999)

- ♦ The Quebec language laws were unsuccessfully challenged earlier this year.

***(iii) Australian Approach – Broadcasting Services Act 1992 (Cth), Schedule 5***

**Recommended Resources:**

- ♦ Australian Communications Law Centre (OzNetLaw), Online Content Regulation, 1 June, 2001 (OzNetLaw Website 2001) [\*I 212]
- ♦ S. Taggart, “Questioning the Oz Net Censors” *Wired News* (24 April, 2001) (Wired News Website) [\*I 217]

***(iv) Other International Approaches – United States, China, Singapore, Vietnam***

**Recommended Resources:**

- ♦ S.B. Hogan, “To Net or Not to Net: Singapore’s Regulation of the Internet” (1999) 51 *Fed. Comm. L.J.* 429 (excerpt) [\*I 219]
- ♦ L.S. Malakoff, “Are You My Mommy, or My Big Brother? Comparing Internet Censorship in Singapore and the United States” (1999) 8 *Pacific Rim law & Policy Journal* 423 (footnotes omitted) [\*I 225]
- ♦ K.M. Reed, “From the Great Wall of China to the Berlin Firewall: The Cost of Content Regulation on Internet Commerce” (1999) 12 *The Transnational Lawyer* 543 (excerpt) [\*I 236]
- ♦ M. McDonald, “Living Where the Net is a Threat – Vietnam Heavily Filters Content, But Firewalls are Leaking” *SiliconValley.com* (12 August 2001) (SiliconValley.com Website)
- ♦ M. McDonald, “Several Asian Countries Clamp Down on Net” *SiliconValley.com* (12 August 2001) (SiliconValley.com Website)

***(v) Self-Regulation***

**Recommended Resources:**

- ♦ The Canadian Association of Internet Providers (CAIP), Code of Conduct, (CAIP Website)



## **4. Intellectual Property**

### **Additional References (optional):**

- ♦ Canadian Intellectual Property Office (CIPO), Glossary of Intellectual Property Terms (CIPO Website, 1999)

### **4.1 Copyright**

#### **(a) Introduction to Copyright**

##### **Recommended Resources:**

- ♦ Canadian Intellectual Property Office (CIPO), Copyright FAQ (CIPO Website, 2000)
- ♦ Canadian Intellectual Property Office (CIPO), Guide to Copyright (CIPO website, 2000)
- ♦ Copyright Act, R.S.C. 1985, c. C-42
- ♦ United States Copyright Office (USCO), Copyright Basics (USCO Website, 2000)
- ♦ J. Dianne Brinson & Mark F. Radcliffe, Intellectual Property Law Primer for Multimedia Developers (Timestream Inc. Website, 1994)

#### **(b) Rights Clearance – The Important Role of Copyright Collectives**

##### **Additional References (optional):**

- ♦ Canadian Intellectual Property Office (CIPO), Copyright Circular No. 4 – Performing Rights Societies & Other Copyright Collectives, (CIPO Website, 1999)
- ♦ Copyright Board of Canada, Copyright Collective Societies, (Copyright Board Website, 2001)
- ♦ SOCAN, SOCAN FAQs, (SOCAN Website, 2001)

#### **(c) Copyright Protection of Computer Programs [See also sections 4.3(b), 4.3(c), 4.3(d) and 5 below]**

##### **Recommended Resources:**

- ♦ Copyright Act, R.S.C. 1985, c. C-42, ss. 2(1) (definitions of “computer program”, “literary work”), 3(1)(h) and 30.6 [\*I 238]
- ♦ *Computer Associates International Inc. v. Altai*, 982 F.2d 693 (U.S.C.A. 2<sup>nd</sup> Cir., 1992) [\*I 249]



- ♦ *Delrina Corp. v. Triolet Systems Inc.* (1993), 47 C.P.R. (3d) 1 (O.C.G.D.) [currently on appeal] [\*I 99]

**Additional References (optional):**

***International***

- ♦ *Berne Convention for the Protection of Literary and Artistic Works* (signed on September 9, 1886 and subsequently revised on July 24, 1971 and September 28, 1979) [hereinafter Berne Convention], art. 2(1)
- ♦ *Agreement on Trade-Related Aspects of Intellectual Property Rights* (Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, signed in Marrakesh, Morocco on 15 April, 1994) [hereinafter TRIPS Agreement], art. 10(1)
- ♦ *North American Free Trade Agreement Between the Government of Canada, the Government of Mexico and the Government of the United States*, 17 December 1992, Can. T.S. 1994 No. 2, 32 I.L.M. 289 (entered into force 1 January 1994) [hereinafter NAFTA], art. 1705(1)(a)
- ♦ World Intellectual Property Organization Copyright Treaty 1996 [hereinafter WIPO Copyright Treaty], arts 2 and 4
- ♦ Council Directive 91/250/EEC of 14 May 1991 on the legal protection of computer programs [hereinafter EC Computer Programs Directive] recs 7-8 and arts 1-3

***United States Case Law***

- ♦ United States of America, National Commission on New Technological Uses of Copyrighted Works, *Final Report*, dissent of Commissioner Hersey (Washington: July 31, 1978)
- ♦ *Whelan Associates, Inc. v. Jaslow Dental Laboratory, Inc.*, 797 F.2d 1222 (U.S.C.A. 3<sup>rd</sup> Cir., 1986)
- ♦ *Gates Rubber Company v. Bando Chemical Industries*, 9 F.3d 823 (U.S.C.A. 10<sup>th</sup> Cir., 1993)
- ♦ *Lotus Development Corporation v. Borland International*, 49 F.3d 807 (U.S.C.A. 1<sup>st</sup> Cir., 1995)
- ♦ *Lotus Development Corporation v. Borland International*, 116 S. Court . 695 (U.S.S.C., 1996)

***UK Case Law***

- ♦ *Cantor Fitzgerald International v. Tradition (U.K.) Ltd.* [2000] R.P.C. 95 (Eng. High Ct. Justice – Ch. Div.)

### ***Australian Case Law***

- ♦ *Data Access Corp. v. Powerflex Service Pty Ltd* [1999] HCA 49 (High Ct. Aust.)
- ♦ *Coogi Australia Pty Ltd v. Hysport International Pty Ltd* (1998) 41 IPR 593 (Fed. Ct. Aust)
- ♦ *Apple Computer, Inc. v. Computer Edge Pty Ltd* (1986) 65 ALR 33 (High Ct. Aust)

### ***Commentary***

- ♦ R. Percival, “Standing on the Shoulders of Giants : The Reverse Engineering of Computer Software and the Law of Copyright In Canada” (Smith Lyons Website, October 1999)
- ♦ J. Band & M. Katoh, *Interfaces on Trial* (San Francisco: Westview Press, 1995)

## **(d) Screen Outputs and Multimedia Works**

### **Recommended Resources:**

- ♦ Copyright Act, R.S.C. 1985, c. C-42, s. 2(1) (definitions of “compilation”, “dramatic work” and “cinematographic work”) [\*I 238]
- ♦ Copyright Act 1968 (Cth) [Aust.], s. 10(1) (definitions of “dramatic work” and “cinematograph film”) [\*I 274]
- ♦ Galaxy Electronics Pty Ltd v. Sega Enterprises Ltd. [1997] 403 FCA (23 May 1997) (Fed. Ct. Aust) [\*I 276]
- ♦ R. Owens & J. Freedman, “Legal Issues in CD-Rom Development” (Smith Lyons, 1996)

## **(e) Databases**

### **Recommended Resources:**

- ♦ Copyright Act, R.S.C. 1985, c. C-42, s. 2(1) (definitions of “collective work” and “compilation”) and s. 2.1 [\*I 238]
- ♦ Criminal Code, R.S.C. 1985, c. C-46, ss. 342.1(1) and 430(1.1) [\*I 291]
- ♦ *Tele-Direct (Publications) Inc. v American Business Information Inc.* (1997), 76 C.P.R. (3d) 296 (F.C.A.) [\*I 297]
- ♦ *ITAL-Press Inc. v. Sicoli* (1999), 86 C.P.R. (3d) 129 (F.C.T.D) [\*I 311]

**Additional References (optional):**

***International Conventions***

- ♦ Berne Convention, arts 2(1) and (5)
- ♦ TRIPS Agreement, art. 10(2)
- ♦ NAFTA, art. 1705(1)(b)
- ♦ WIPO Copyright Treaty, art. 5
- ♦ EC Database Directive

***Other Case Law***

- ♦ US Copyright Act, s. 103
- ♦ *Feist Publications, Inc. v. Rural Telephone Service Co., Inc.* 499 U.S. 340 (1991) (U.S. Sup. Ct.)
- ♦ *CCH Canadian Ltd. v. Law Society of Upper Canada* [1999] F.C.J. No. 1647 (F.C.T.D.)
- ♦ *Telstra Corporation v. Desktop Marketing Systems* [2001] FCA 612 (Fed. Ct. Aust.) (not following *Feist* and *Tele-direct*)
- ♦ *Restrictive Trade Practices Commission, Director of Investigation & Research v. BBM Bureau of Measurement*, (1981), 60 C.P.R. (2d) 26
- ♦ *Director of Investigation & Research v. D&B Companies of Canada.*; Information Resources, Inc. et. al., interveners, 64 C.P.R. (3d) 216.
- ♦ *The British Horseracing Board Limited v William Hill Organization* HC 2000 1335 (UK High Ct.)

***Commentary***

- ♦ R.C. Owens, “Legal Issues in the Creation, Management and Exploitation of Computer Databases” (1997)
- ♦ S.M. Maurer, “Across Two Worlds: Database Protection in the US and Europe” (Industry Canada and Centre for Innovation Law and Policy Conference on Intellectual Property and Innovation in the Knowledge-Based Economy, Metro Toronto Convention Centre, 24 May 2001) [unpublished] [\*I 369]
- ♦ Osler, Hoskin & Harcourt, “Database Protection: Beyond Copyright” Osler, Hoskin & Harcourt Technology Business Briefing (21 June, 2000) (Osler, Hoskin & Harcourt Website)



- ♦ R. Howell, Database Protection and Canadian Laws, (Industry Canada, 1998)
- ♦ Industry Canada, Selected References to Articles on Database Protection (Industry Canada Website, 2000)
- ♦ H.P. Knopf, “The Database Dilemma in Canada: Is ‘Ultra’ Copyright Required?” (1999) 48 *U. New Brunswick L.J.* 163
- ♦ G.J. Segal, “Computer Databases: Domestic Protection and International Trade” (1999) 13 *I.P.J.* 305
- ♦ G.A. Knight, “The Fall and Rise of Sweat of the Brow” (1999) 13 *I.P.J.* 338
- ♦ P.B. Hugenholtz, “The New Database Right: Early Case Law from Europe” (2001) Institute for Information Law, Faculty of Law, University of Amsterdam

**(f) Electronic Publishing Rights**

**Recommended Resources:**

- ♦ D. Isenberg, “Electronic Publishing Rights and New Legal Challenges” (Gigalaw Website, June 2001)
- ♦ B. Pimm, “Authors’ Rights in the E-Book Revolution” (Gigalaw Website, October 2000)

**Additional References (optional):**

- ♦ Copyright Act, R.S.C. 1985, c. C-42, ss. 3(1), 13(3) and 13(4)
- ♦ *Robertson v. Thomson Corp.* (1999), 85 C.P.R. (3d) 1 [motion for certification as a class proceeding granted]
- ♦ H. Robertson, “Progress Report on ‘Robertson vs Thomson’ Class Action Suit” Periodical Writers Association of Canada (PWAC) Bulletin, 7 November 2000 (PWAC Website, 2000)
- ♦ New York Times Co., Inc., et. al. v. Tasini et. al. 2001 WL 703909 (U.S. Sup. Ct.), Decided 25 June 2001
- ♦ K. Featherly, “No Quick Ruling In E-Book Copyright Suit” *Newsbytes* (8 May, 2001) (Newsbytes website)
- ♦ Random House v. RosettaBooks, Complaint (filed 27 February, 2001) (RosettaBooks Website, 2001)
- ♦ Random House, Inc. v. Rosetta Books 2001 WL 776932 (Random House motion for preliminary injunction denied)



- ♦ RosettaBooks Compilation of Legal Documents, Random House v RosettaBooks, (RosettaBooks Website, 2001)

## **(g) Copyright and the Internet**

### ***(i) Overview***

#### **Additional References (optional):**

- ♦ S. Burshtein, “Surfing the Internet: Copyright Issues in Canada” (1997), 13 *Santa Clara Computer & High Tech. L.J.* 385 (pages 437-438)

### ***(ii) Online Music Distribution***

#### **Recommended Resources:**

- ♦ Copyright Act, R.S.C. 1985, c. C-42, ss. 3(1), 2.3, 2.4(1), 67.1, 68.2, 79-82 [\*I 238]
- ♦ Re Statement of Royalties to Be Collected for the Performance or the Communication by Telecommunication of Musical or Dramatico-Musical Works (Tariff 22 – Transmission of Musical Works to Subscribers Via a Telecommunication Service Not Covered Under Tariff Nos. 16 or 17) (Phase I: Legal Issues) 1 C.P.R. (4<sup>th</sup>) 417 (Copyright Board of Canada Website, 1999) [\*I 23]
- ♦ M. Geist, “Napster North of the 49th Parallel” *Globetechnology.com* (27 July, 2000) (Globetechnology.com Website) [\*I 437]
- ♦ *A & M Recordings, Inc. v. Napster, Inc.*, 239 F.3d 1004 (9<sup>th</sup> Cir. February 12, 2001) [\*I 441]
- ♦ *UMG Recordings et. al. v. MP3.com, Inc.*, 92 F.Supp. 2d 349 (S.D.N.Y. 2000) [\*I 463]

### ***(iii) Temporary Copies: Copyright Liability for Browsing the Internet - RAM and cached copies and the Electronic Right to Read***

#### **Recommended Resources:**

- ♦ WIPO Copyright Treaty, agreed statement on art. 1(4) [\*I 467]
- ♦ EU Copyright Directive, arts. 2 and 5(1) [\*I 468]
- ♦ Industry Canada and Department of Canadian Heritage, Consultation Paper on Digital Copyright Issues, 22 June, 2001 (Industry Canada Website, 2001) (section 4.4) [\*I 471]

#### **Additional References (optional):**

- ♦ EU Electronic Commerce Directive, arts. 12-15

- ♦ Copyright Act, R.S.C. 1985, c. C-42, ss. 3(1) (“material form”), 3(1) (“authorization right”), and 13(4) (licence must be assigned in writing)
- ♦ S. Burshtein, “Surfing the Internet: Copyright Issues in Canada” (1997) 13 *Santa Clara Computer & High Tech. L.J.* 385 (pages 437-438)
- ♦ J. Litman, “The Exclusive Right to Read” (1994) 13 *Cardozo Arts & Ent. L.J.* 29
- ♦ *MAI Systems Corp. v. Peak Computer Inc.*, 26 U.S.P.Q. 2d 1458 (9<sup>th</sup> Cir. 1993)
- ♦ *Triad Systems Corp. v. Southeastern Express Co.*, 31 U.S.P.Q. 2d 1239 (N.E. Cal. 1994), aff’d 36 U.S.P.Q. 2d 1028 (9<sup>th</sup> Cir. 1995)
- ♦ US Copyright Act, s. 512
- ♦ Microsoft Corporation v. Business Boost Pty Ltd [2000] FCA 1651 (Fed. Ct. Aust)
- ♦ Australian Copyright Act 1968 (Cth), ss. 43A, 111A (intended to cover browsing)

***(iv) Linking and Framing***

**Recommended Resources:**

- ♦ M. Smith Kubiszyn, “Emerging Legal Guidance on ‘Deep Linking’” (Gigalaw Website, May 2000)
- ♦ M. Smith Kubiszyn, “Web Site Framing: Trademark and Copyright Issues” (Gigalaw Website, April 2000)
- ♦ Washington Post Co. v. Total News, Inc., No. 97 Civ. 1190 (PKL) (S.D.N.Y. complaint filed Feb. 20, 1997), discontinued upon settlement 5 June 1997 [\*I 480]
- ♦ *Intellectual Reserve, Inc. v. Utah Lighthouse Ministry, Inc.*, 53 U.S.P.Q.2d 1425 (C.D. Utah 1999) (linking) [\*I 494]
- ♦ *Ticketmaster Corp. v. Tickets.com, Inc.*, 54 U.S.P.Q. 2d 1344 (C.D. Cal. 2000) (deep linking) [\*I 499]
- ♦ Re Statement of Royalties to Be Collected for the Performance or the Communication by Telecommunication of Musical or Dramatico-Musical Works (Tariff 22 – Transmission of Musical Works to Subscribers Via a Telecommunication Service Not Covered Under Tariff Nos. 16 or 17) (Phase I: Legal Issues) 1 C.P.R. (4<sup>th</sup>) 417 (Copyright Board of Canada Website, 1999) (pages 458-459) [\*I 23]
- ♦ *Futuredontics, Inc. v. Applied Anagramics, Inc.*, 45 U.S.P.Q. 2d 2005 (C.D. Cal. 1998) (framing) [\*I 499]

**(v) Copyright in Website Design**

**Recommended Resources:**

- ♦ *British Columbia Automobile Assn. v. Office and Professional Employees' International Union, Local 378* [2001] B.C.J. No. 151 (B.C. Sup. Ct.) (section entitled “copyright infringement” only) [\* I 60]

**4.2 Trade-marks**

**(a) Introduction to Trade-marks**

**Recommended Resources:**

- ♦ Canadian Intellectual Property Office (CIPO), Trade-mark FAQ
- ♦ Canadian Intellectual Property Office (CIPO), Guide to Trade-marks

**(b) Use of Trade-marks on Websites**

**Recommended Resources:**

- ♦ Trade-marks Act, ss. 2 (definitions of “confusing”, “trade-mark”, “trade-name” and “use”), 4, 6, 7, 19, 20 and 22 [\*II 509]
- ♦ *Pro-C Ltd. v. Computer City, Inc.* (2000), 7 C.P.R. (4<sup>th</sup>) 193 [\*II 520]
- ♦ *British Columbia Automobile Assn. v. Office and Professional Employees' International Union, Local 378* [2001] B.C.J. No. 151 (B.C. Sup. Ct.) [\*I 60]

**(c) Use of Trade-marks in Metatags and Spidering/Data-aggregation**

**Recommended Resources:**

- ♦ Trade-marks Act, ss. 2 (definitions of “confusing”, “trade-mark”, “trade-name” and “use”), 4, 6, 7, 19, 20 and 22 [\*II 509]
- ♦ D. Stone, “Invisible marks may still infringe” *Freehills Trade Marks Quarterly* (3 December 2000) (Freehills Website, 2000)
- ♦ *British Columbia Automobile Assn. v. Office and Professional Employees' International Union, Local 378* [2001] B.C.J. No. 151 (B.C. Sup. Ct.) [\*I 60]
- ♦ Saskatoon Star Phoenix Group Inc. v. Noton [2001] S.J. No. 275 [\*II 513]



- ♦ *Brookfield Communications, Inc. v. West Coast Entertainment Corporation*, 174 F.3d 1036 (9<sup>th</sup> Cir. 1999) [\*II 555]
- ♦ *Roadtech Computer Systems Ltd v. Mandata (Management and Data Services) Ltd* [2000] E.T.M.R. 970 (Eng. High Ct. of Justice (Chancery Division)) [\*II 582]
- ♦ *Ebay v. Bidder's Edge Inc.* 54 U.S.P.Q.2d 1798 (N.D. Cal. 2000) (Spidering/Data-aggregation) [\*II 586]

**Additional References (optional):**

- ♦ *Ebay v. Bidder's Edge*, Amicus Brief filed by 28 cyberlaw professors, 22 June 2000 (UCLA Website)

**(d) Linking to and Framing Websites containing Trade-marks**

**Recommended Resources:**

- ♦ Trade-marks Act, ss. 2 (definitions of “confusing”, “trade-mark”, “trade-name” and “use”), 4, 6, 7, 19, 20 and 22 [\*II 509]
- ♦ *Hard Rock Café International v. Morton*, 1999 WL 717995 (S.D.N.Y.) [\*II 599]

**(e) Use of Trade-marks or Trade Names in Domain Names (Cybersquatting) – Domestic Law**

**Recommended Resources:**

- ♦ Trade-marks Act, ss. 2 (definitions of “confusing”, “trade-mark”, “trade-name” and “use”), 4, 6, 7, 19, 20 and 22 [\*II 509]
- ♦ British Telecommunications plc v. One in a Million Ltd. [1998] 4 All ER 476 [\*II 627]
- ♦ *British Columbia Automobile Assn. v. Office and Professional Employees' International Union, Local 378* [2001] B.C.J. No. 151 (B.C. Sup. Ct.) [\*I 60]
- ♦ Saskatoon Star Phoenix Group Inc. v. Noton [2001] S.J. No. 275 [\*II 513]

**Additional References (optional):**

- ♦ U.S. Anticybersquatting Consumer Protection Act 1999 P.L. 106-113, implemented as U.S. law through amendments to U.S. Trademarks Act 15 U.S.C. ch. 22, §§ 1125(d) and 1129
- ♦ Bell ActiMedia Inc. v. Puzo (1999), 2 C.P.R. (4<sup>th</sup>) 289 (F.C.T.D.)
- ♦ *ITV Technologies, Inc. v. WIC Television Ltd.* (1997), 77 C.P.R. (3d) 486 (F.C.T.D.)



- ♦ *Innersense International Inc. v. Manegre* (2000), 7 C.P.R. (4<sup>th</sup>) 107 (Alb. Q.B.)
- ♦ Weight Watchers International, Inc. v. Vale Printing Ltd. (2000), 7 C.P.R. (4<sup>th</sup>) 92 (F.C.T.D.)
- ♦ Toronto.com v. Friendship Enterprises (2000), 6 C.P.R. (4<sup>th</sup>) 487
- ♦ iTravel2000.com Inc., v. Fagan (2001), 197 D.L.R. (4<sup>th</sup>) 760
- ♦ *Canada Post Corp. v. Epost Innovations Inc.* [2001] F.C.J. No.540
- ♦ Bell ExpressVu Limited Partnership v. Tedmonds & Co. Inc. [2001] O.J. No. 1558 (paras. 38-46) [free speech and domain names case]

**(f) Use of Trade-marks in Domain Names (Cybersquatting) – Alternative Dispute Resolution**

**Recommended Resources:**

- ♦ Uniform Dispute Resolution Policy (UDRP) (as approved by ICANN on 24 October 1999) [\*II 650]
- ♦ Rules for Uniform Domain Name Dispute Resolution Policy (as approved by ICANN on 24 October 1999) [\*II 656]
- ♦ Canadian Internet Registration Authority (CIRA), CIRA Dispute Resolution Policy Consultation, 26 September 2000 (CIRA Website) [scheduled to be implemented later this year] [\*II 669]

**4.3 Patents**

**(a) Introduction to Patents**

**Recommended Resources:**

- ♦ Canadian Intellectual Property Office (CIPO), Patent FAQ
- ♦ Canadian Intellectual Property Office (CIPO), Guide to Patents

**(b) Software Patents**

**Recommended Resources:**

- ♦ Patent Act, R.S.C. 1985, c. P-4, s. 2 (definition of “invention”) and 27(8) [\*II 684]
- ♦ Canadian Intellectual Property Office (CIPO), “Guidelines related to the Patentability of Computer-Related Subject Matter” (20 February 1995) (CIPO Website) [\*II 690]

- ♦ T.S. Hughes, “Patent Reexamination and the PTO: Compton’s Patent Invalidated at the Commissioner’s Request” (1996) 14 *J. Marshall J. Computer & Info. L.* 379 (footnotes omitted) [\*II 695]

**Additional References (optional):**

- ♦ TRIPS Agreement, art. 27
- ♦ Convention on the Grant of European Patents (European Patent Convention), (1973, as amended), (European Patent Office Website), art. 52(1)-(3)
- ♦ U.S. Patent Act, 35 U.S.C. §101
- ♦ *Schlumberger Canada Ltd. v. Commissioner of Patents* (1981), 56 C.P.R. (2d) 204 (Fed. Ct. App.)
- ♦ *Motorola Inc. Patent Application No. 2,047,731 (Re)* (1998), 86 C.P.R. (3d) 76 (Pat. App. Bd.)
- ♦ “Multimedia Search System Using a Plurality of Entry Path Means Which Indicate Interrelatedness of Information” (also known as “Compton’s Patent”): U.S. Patent No. 5,241, 671 (31 August 1993)
- ♦ “Securities Brokerage -- Cash Management System with Short Term Investment Proceeds Allotted Among Multiple Accounts”, U.S. Patent No. 4,774,663 (27 September 1988)

**(c) Business Method Patents**

**Recommended Resources:**

- ♦ Patent Act, R.S.C. 1985, c. P-4, s. 28, 28.1, 28.2 and 42 [\*II 684]
- ♦ *State Street Bank and Trust Co. v. Signature Financial Group, Inc.* 149 F. 3d 1368 (Fed. Cir. 1998) [\*II 706]
- ♦ *Amazon.com Inc., v. Barnesandnoble.com, Inc.* 239 F.3d 1343 C.A. Fed. (Wash.), 2001 [\*II 716]
- ♦ *Patent Application No. 564,175 (Re)* (1999), 6 C.P.R. (4<sup>th</sup>) 385 (Pat. App. Bd.) [\*II 735]
- ♦ Cybersettle.com, Cybersettle.com’s Patent Pending Settlement Process, (Cybersettle.com Website) [\*II 743]
- ♦ Priceline.com, Priceline.com’s Patented Reverse Auction System, (Priceline.com Website) [\*II 744]

- ♦ Bountyquest.com, “Bountyquest.com Corporate Information” (Bountyquest.com Website) [\*II 745]

**Additional References (optional):**

- ♦ Rochelle Cooper Dreyfuss, “Testimony Before the Subcommittee on Courts and Intellectual Property of the House of Representatives Committee on the Judiciary Oversight Hearing on the United States Patent Office”, 9 March 2000
- ♦ Jared Earl Grusd, “Internet Business Methods: What Role Does and Should Patent Law Play?” 4 *Virginia Journal of Law and Technology*, Fall 1999

**(d) Other International Approaches to Software and Business Method Patents**

**Additional References (optional):**

- ♦ Japanese Patent Office, “Policies Concerning ‘Business Method Patents’”, (Japanese Patent Office Website, November 2000)
- ♦ Japanese Patent Office, “Examination Guidelines for Computer Software Related Inventions”, (Japanese Patent Office Website, January 2001)
- ♦ UK Patent Office, “Should Patents be Granted for Computer Software or Ways of Doing Business?” (UK Patent Office website, March 2001)
- ♦ Welcome Real-Time SA v Catuity Inc [2001] FCA 445 (Fed. Ct. Aust.) [Business Processes Patentable in Australia]

**4.4 Trade Secrets and Confidential Information**

**Recommended Resources:**

- ♦ *LAC Minerals Ltd. v. International Corona Resources Ltd.* (1989), 61 D.L.R. (4th) 14 (S.C.C.). (headnote only) [\*II 749]
- ♦ *Pharand Ski Corp. v. The Queen in Right of Alberta* (1991), 37 C.P.R. (3d) 288 (Alta.Q.B.). [\*II 751]

**Additional References (optional):**

- ♦ R. Mark Halligan, Trade Secrets Home Page (Trade Secrets Home Page Website, 1997).
- ♦ Gale R. Peterson, *Trade Secret Protection in an Information Age* (Little Falls: Glasser LegalWorks, 1997) [excerpt].
- ♦ Institute of Law Research and Reform (Edmonton, Alberta) and A Federal Provincial Working Party, Trade Secrets, Report No. 46, July 1986.



## 5. Technology Contracting

### (a) Introduction to Technology Contracting

#### *(i) Validity and Enforceability of Adhesion Contracts and Fine Print*

##### Recommended Resources:

- ♦ *Thornton v. Shoe Lane Parking Ltd.* [1971] 2 Q.B. 163 [\*II 788]
- ♦ *Tilden Rent-A-Car Co. v. Clendenning* (1978), 83 D.L.R. (3d) 400 (Ont. C.A.) [\*II 796]

#### *(ii) Application of Offline Contract Formation Principles – offer and acceptance rules*

##### Recommended Resources:

- ♦ *Pharmaceutical Society of Great Britain v. Boots Cash Chemists (Southern) Ltd.* [1953] 1 Q.B. 401 (Eng. C.A.) (offer vs. “invitation to treat”) [\*II 810]

#### *(iii) Acceptance – effective on receipt or on posting*

##### Recommended Resources:

- ♦ The general rule is that acceptance is only effective after it has been communicated to the offeror. However, when contact between the parties is not face-to-face, the postal acceptance rule may apply which apportions the risk of the communication not being received on the offeror because acceptance is deemed effective once “posted” ie. left the control of the offeree. Which is the appropriate rule to apply for e-commerce?

### (b) Contractual Protection of Computer Software (“Shrinkwrap” licences)

##### Recommended Resources:

- ♦ *Pro-CD, Inc. v. Zeidenberg* 86 F. 3d 1447 (7<sup>th</sup> Cir. 1996) [\*II 815]

##### Additional References (optional):

- ♦ *North American Systemshops Ltd. v. King* [1989] A.J. No. 512 (Alta. Q.B.)
- ♦ M. Lemley, “Intellectual Property and Shrinkwrap Licenses” (1995) 68 *S. Cal. L. Rev.* 1239

### (c) Online Contracting (“clickwrap” and “webwrap” contracts)

##### Recommended Resources:

- ♦ S. Sigel, T. Ling & J. Izenberg, “The Validity and Enforceability of Web-Wrap Agreements and Assessing the Need for Legislation” Report Prepared for the Uniform



Law Conference of Canada, May 1999 (Uniform Law Conference of Canada Website) [\*II 822]

- ♦ *Rudder v. Microsoft Corp.* [1999] O.J. No. 3778 (Ont. Sup. Ct.) [\*II 871]
- ♦ *America Online, Inc., v. Mendoza* 2001 WL 695166 (court refusing to enforce a forum selection clause contained in a clickwrap agreement) [\*II 878]
- ♦ *Ticketmaster Corp. v. Tickets.com, Inc.*, 54 U.S.P.Q. 2d 1344 (C.D. Cal. 2000) (enforceability of webwrap agreement) [\*II 499]
- ♦ *Specht v. Netscape Communications Corp.* 2001 WL 755396 (enforceability of webwrap agreement) [\*II 891]

#### **(d) Online Contracting - Legislative Developments**

##### **Recommended Resources:**

- ♦ Electronic Commerce Act, R.S.O. 2000, c. 17
- ♦ Uniform Law Conference of Canada, Uniform Electronic Commerce Act - Final Annotated Version, (Uniform Law Conference of Canada Website, 1999) [\*II 902]

##### **Additional References (optional):**

- ♦ Centre for Innovation Law and Policy, Guide to Canadian E-Commerce Law and Regulation, (Centre Website, 2001)

#### **(e) Digital Signatures**

##### **Recommended Resources:**

- ♦ Personal Information Protection and Electronic Documents Act, R.S.C. 2000, c. 5, Part 2 – Electronic Documents [\*II 828]
- ♦ Electronic Commerce Act, R.S.O. 2000, c. 17, ss. 1 (definitions of “electronic” and “electronic signature”), 11 and 17
- ♦ Statute of Frauds, R.S.O. 1990, c. S.19
- ♦ *Re Newbridge Networks Corp.* [2000] O.J. No. 1346 (Ont. Sup. Ct.) [\*II 922]
- ♦ D.B. Farrend, “Policy Considerations Behind Legislation Recognizing Electronic Signatures” Uniform Law Conference of Canada, July 1998 (Uniform Law Conference of Canada Website) [\*II 925]
- ♦ Government of Canada, Public Key Infrastructure Home Page, (Communications Security Establishment Website)

## 6. Jurisdiction

### Recommended Resources:

- ♦ Ogilvy Renault, “Jurisdiction and the Internet: Are Traditional Rules Enough?”, Uniform Law Conference of Canada, July 1998 (Uniform Law Conference of Canada Website) [\*II 935]
- ♦ *London Life Insurance Co. v. Canada*, [1988] 1 F.C. 46 (F.C.T.D.) [\*II 953]
- ♦ *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F. Supp. 1119 (W.D. Pa. 1997) [\*II 970]
- ♦ *Braintech, Inc. v. Kostiuk*, [1999] B.C.J. No. 622 (C.A.) [\*II 979]
- ♦ Alberta Securities Commission, *In the Matter of World Stock Exchange*, Feb. 15, 2000 [\*II 993]
- ♦ *Pro-C Ltd. v. Computer City, Inc.* (2000), 7 C.P.R. (4<sup>th</sup>) 193 [\*II 520]
- ♦ *League Against Racism and Antisemitism – LICRA v. Yahoo! Inc.*, No. RG 00/05308 (20 November, 2000) (County Court of Paris) [\*II 1014]
- ♦ D. Isenberg, “Struggling With the French Yahoo Nazi-Auction Decision” (Gigalaw website, January 2000)

### Additional References (optional):

- ♦ Ontario Rules of Civil Procedure, R.R.O. 1990, Rule 17.02 (service outside of Ontario)
- ♦ European Parliament, Directive 97/7/EC of the European Parliament and of the Council of 20 May 1997 on the protection of consumers in respect of distance contracts (EU Distance Selling Directive)
- ♦ Hague Conference on Private International Law, Preliminary Draft Convention on Jurisdiction and Foreign Judgments in Civil and Commercial Matters, 30 October 1999 (Hague Conference on Private International Law Website)
- ♦ M. Geist, “Is There a There There? Towards Greater Certainty for Internet Jurisdiction” (2001)
- ♦ *CompuServe, Inc. v. Patterson*, 89 F.3d 1257 (6th Cir. 1996)
- ♦ *Yahoo! Inc. v. La Ligue Contre Le Racisme et L’Antisemitisme*, Amicus Brief Supporting Yahoo!, August 6 2001 (Centre for Democracy and Technology Website)

## **7. Privacy**

### **(a) Introduction to Privacy**

#### **Additional References (optional):**

- ♦ S.D. Warren and L.D. Brandeis, “The Right to Privacy” (1890) 4 *Harv. L. Rev.* 193
- ♦ *Saccone v. Orr* (1981), 34 O.R. (2d) 317
- ♦ W.L. Prosser, “Privacy” (1960) 48 *Cal. L. Rev.* 338
- ♦ Privacy Act, R.S.B.C. 1996, c. 373
- ♦ Civil Code of Quebec, S.Q. 1994, c.64, Arts. 10-49

### **(b) Protection of Data**

#### **Recommended Resources:**

- ♦ Personal Information Protection and Electronic Documents Act, R.S.C. 2000, c. 5 [\*II 828]
- ♦ TRUSTe, The TRUSTe Program: How it Protects Your Privacy, (TRUSTe Website, 2000)

#### **Additional References (optional):**

- ♦ European Parliament, Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (European Data Directive)
- ♦ Privacy Commissioner of Canada, Guides to the Personal Information and Protection of Electronic Documents Act, (Privacy Commissioner Website)
- ♦ U.S. Department of Commerce, Safe Harbor Privacy Principles, (U.S. Department of Commerce Website, July 2000)
- ♦ M. Geist, “Battles brew as on-line privacy policies diverge” (Globetechnology.com Website, 3 May, 2001)
- ♦ S. Perrin *et al.*, *The Personal Information Protection and Electronic Documents Act: An Annotated Guide*, (Toronto: Irwin Law, 2001) [KE4422.A31P47 2001 – Short Term Loan] [also available on Quicklaw]
- ♦ R. Owens, “Privacy and Financial Services in Canada”, Report to the Task Force on the Future of the Canadian Financial Services Sector (Financial Services Task Force Website, September 1998)



**(c) Electronic Intrusions - Spam and Cookies**

**Recommended Resources:**

- ♦ Webopedia, Definition of “Spam”, (Webopedia Website)
- ♦ *1267623 Ontario Inc. v. Nexx Online Inc.*, [1999] O.J. No. 2246 (Ont. Sup. Ct. J.) [\*III 1]
- ♦ *Compuserve, Inc. v. Cyber Promotions, Inc.*, 962 F. Supp. 1015 (S.D. Ohio 1997) [\*III 9]
- ♦ *America On-Line, Inc. v. Cyber Promotions, Inc.*, 948 F. Supp. 436 (E.D. Pa. 1996) [\*III 21]
- ♦ Industry Canada, Internet and Bulk Unsolicited Electronic Mail (SPAM), (Industry Canada Website, 1999)
- ♦ Webopedia, Definition of “Cookie”, (Webopedia Website)
- ♦ Electronic Privacy Information Center (EPIC), Complaint to the U.S. Federal Trade Commission Regarding Double Click, Inc., (EPIC Website, 2000) [\*III 40]

**Additional References (optional):**

- ♦ Coalition Against Unsolicited Commercial Email (CAUCE) Website
- ♦ Cookiecentral.com Website
- ♦ Electronic Privacy Information Center (EPIC), “The Cookies Page” (EPIC Website)

**8. Consumer Protection**

**(a) Consumer Protection for Electronic Commerce Transactions**

**Recommended Resources:**

- ♦ European Parliament, Directive 97/7/EC of the European Parliament and of the Council of 20 May 1997 on the protection of consumers in respect of distance contracts (EU Distance Selling Directive)
- ♦ Organisation for Economic Co-operation and Development (OECD), Guidelines for Consumer Protection in the Context of Electronic Commerce, (ACCC Website, 2000) [\*III 52]

- ♦ Industry Canada Working Group on Electronic Commerce and Consumers, Principles of Consumer Protection for Electronic Commerce – A Canadian Framework, (Industry Canada Website, 2000) (excerpt) [\*III 61]
- ♦ R. Tasse and K. Lemieux, Consumer Protection Rights in the Context of Electronic Commerce, (Industry Canada Website, March 1998) (excerpt) [\*III 72]
- ♦ Competition Act, R.S.C. 1985, c. C-34
- ♦ International Sale of Goods Contracts Convention Act, 1991, c. 13
- ♦ Sale of Goods Act, R.S.O. 1990, c. S.1

## **(b) Consumer Protection Against Deceptive Online Practices**

### ***(i) Online Advertising***

#### **Recommended Resources:**

- ♦ Canadian Competition Bureau Draft Guidelines, Staying ‘On-Side’ When Advertising On-line: A Guide to Compliance with the Competition Act When Advertising on the Internet, (Competition Bureau Website, 28 May 2001) [\*III 109]

#### **Additional References (optional):**

- ♦ Decima Publishing Inc., “CAIP Argues for Tariff 22-type Decision in Online Advertising Rules Debate” (June 14 2001) 4(11) *Canadian New Media*

### ***(ii) Search Engine Responses***

#### **Recommended Resources:**

- ♦ Commercial Alert, News Release – Commercial Alert Files Complaint Against Search Engines for Deceptive Ads, 16 July 2001 (Commercial Alert Website)

## **9. Electronic Payment Mechanisms**

#### **Recommended Resources:**

- ♦ A.M. Froomkin, “Flood Control On The Information Highway: Living With Anonymity, Digital Cash And Distributed Databases” (1996) 15 *Journal of Law & Commerce* 395 (excerpt) [\*III 120]

- ♦ Proposal for a European Parliament and Council Directive on the Taking Up, the Pursuit and the Prudential Supervision of the Business of Electronic Money Institutions, COM/98/0461 final; Official Journal (31) of 15 October 1998
- ♦ Paypal.com Website [\*III 131]
- ♦ “All about Mondex” (Mondex Website)
- ♦ Cybercash.com Website [\*III 132]
- ♦ Digicash.com Website [\*III 133]
- ♦ *Pesoexpress Systems Inc. v. Internetsecure Inc.* [1999] O.J. No. 4682 (Ont. Sup. Ct. of Justice) [\*III 134]

**Additional References (optional):**

- ♦ S.J. Hughes, “A Case for Regulating Cyberpayments” (1999) 51 *Admin. L. Rev.* 809
- ♦ J.L. Williams & J.F.E. Gillespie, “An Introduction to Electronic Money and Banking: The Role of Government” (1996) *PLI/Corp* 75

## **10. Taxation of E-Commerce**

**Recommended Resources:**

- ♦ Income Tax Act, R.S.C. 1985, c.1 (5<sup>th</sup> Supp.)
- ♦ *London Life Insurance Co. v. Canada*, [1988] 1 F.C. 46 (F.C.T.D.) [\*II 953]
- ♦ Canada Customs and Revenue Agency (CCRA) (formerly Revenue Canada), E-Commerce and Canada’s Tax Administration, Advisory Committee Report (CCRA Website, 1998)
- ♦ Canada Customs and Revenue Agency (CCRA) (formerly Revenue Canada), E-Commerce and Canada’s Tax Administration, Minister’s Response to Advisory Committee Report (CCRA Website, 1998)
- ♦ *Internet Tax Freedom Act*, Approved as H.R. 4328 by Congress on 20 October 1998. Signed as Public Law 105-277 on 21 October 1998. [US moratorium]
- ♦ “Introduction and Historical Background”, *Canada’s Tax Treaties*, Butterworths, Issue 17 – 7/85, p. 201-205 [\*III 138]



- ♦ “Effects of O.E.C.D. and U.N. Model Conventions”, *Canada’s Tax Treaties*, Butterworths, Issue 17 – 3/83, p. 305 [\*III 143]
- ♦ OECD, Taxation Aspects of Electronic Commerce – Public Release of OECD Reports, (OECD Website, February 2001) [\*III 144]
- ♦ OECD, Tax Treaty Characterisation Issues Arising From E-commerce, (OECD Website, February 2001) [\*III 147]
- ♦ OECD, Consumption Tax Aspects of Electronic Commerce, (OECD Website, February 2001) [\*III 180]
- ♦ OECD, Discussion Draft on Attribution of Profit to a Permanent Establishment Involved in Electronic Commerce Transactions, (OECD Website, February 2001) [\*III 207]
- ♦ J. Owens, Taxation in the Wired World, (OECD Website, May 2000) [\*III 241]

**Additional References (optional):**

- ♦ **Electronic Commerce: Taxation Framework Conditions**  
A Report by the Committee on Fiscal Affairs, as presented to Ministers at the OECD Ministerial Conference, “*A Borderless World: Realising the Potential of Electronic Commerce*” on October 1998  
website: [www.oecd.org/daf/fa/e\\_com/public\\_release.htm](http://www.oecd.org/daf/fa/e_com/public_release.htm)
- ♦ **Clarification on the Application of the Permanent Establishment Definition in E-Commerce: Changes to the Commentary on the Model Tax Convention on Article 5**  
OECD Committee on Fiscal Affairs  
22 December 2000  
website: [www.oecd.org/daf/fa/e\\_com/public\\_release.htm](http://www.oecd.org/daf/fa/e_com/public_release.htm)
- ♦ **Attribution of Profit To A Permanent Establishment Involved In Electronic Commerce Transactions**  
A Discussion Paper from the Technical Advisory Group on Monitoring the Application of Existing Treaty Norms for the Taxation of Business Profits  
February 2001  
website: [www.oecd.org/daf/fa/e\\_com/public\\_release.htm](http://www.oecd.org/daf/fa/e_com/public_release.htm)
- ♦ **The Impact of The Communications Revolution on the Application of “Place of Effective Management” as a Tie Breaker Rule**  
A Discussion Paper from the Technical Advisory Group on Monitoring the Application of Existing Treaty Norms for the Taxation of Business Profits  
February 2001  
website: [www.oecd.org/daf/fa/e\\_com/public\\_release.htm](http://www.oecd.org/daf/fa/e_com/public_release.htm)

- ♦ **Report by the Technical Advisory Group on Monitoring the Application of Existing Treaty Norms for the Taxation of Business Profits**  
December 2000  
website: [www.oecd.org/daf/fa/e\\_com/public\\_release.htm](http://www.oecd.org/daf/fa/e_com/public_release.htm)
- ♦ **Report by the Consumption Tax Technical Advisory Group**  
December 2000  
website: [www.oecd.org/daf/fa/e\\_com/public\\_release.htm](http://www.oecd.org/daf/fa/e_com/public_release.htm)
- ♦ **Report by the Technology Technical Advisory Group**  
December 2000  
website: [www.oecd.org/daf/fa/e\\_com/public\\_release.htm](http://www.oecd.org/daf/fa/e_com/public_release.htm)
- ♦ **Tax Administration Aspects of Electronic Commerce: Responding to the Challenges and Opportunities**  
February 2001  
website: [www.oecd.org/daf/fa/e\\_com/public\\_release.htm](http://www.oecd.org/daf/fa/e_com/public_release.htm)
- ♦ **Report by the Professional Data Assessment Technical Advisory Group**  
A Report from the Forum on Strategic Management to the Committee on Fiscal Affairs  
December 2000  
website: [www.oecd.org/daf/fa/e\\_com/public\\_release.htm](http://www.oecd.org/daf/fa/e_com/public_release.htm)
- ♦ **Report of the Minister's Advisory Committee on Electronic Commerce – Summary of General Recommendations**  
website: [www.ccra-adrc.gc.ca/tax/business/ecomms/econsue2-e.html](http://www.ccra-adrc.gc.ca/tax/business/ecomms/econsue2-e.html)
- ♦ **A Report to the Minister of National Revenue from the Minister's Advisory Committee on Electronic Commerce**  
April 1988  
website: [www.rc.gc.ca/ecomms/](http://www.rc.gc.ca/ecomms/)
- ♦ **A Response by the Minister of National Revenue to his Advisory Committee's Report on Electronic Commerce**  
September, 1998  
website: [www.rc.gc.ca/ecomms/](http://www.rc.gc.ca/ecomms/)
- ♦ **Electronic Commerce and Report of the Minister's Advisory Committee on Electronic Commerce – Fact Sheet**  
website: [www.ccra-adrc.gc.ca/tax/business/ecomms/fsecom2-e.html](http://www.ccra-adrc.gc.ca/tax/business/ecomms/fsecom2-e.html)
- ♦ **OECD Model Convention (1998)**  
Convention between (State A) and (State B) with respect to taxes on income and on capital  
July 2001 Release



- ♦ ***Income Tax Conventions Interpretation Act***  
R.S.C. 1985, Chapter 1-4, as amended by R.S.C. 1985 (1<sup>st</sup> supp.) c.48; S.C. 1991, c.49; S.C. 1993 c. 24; S.C. 1998, c. 19; S.C. 1999, c. 22  
July 2001 Release
- ♦ ***Canada-United States Income Tax Convention (1980)***  
Convention between Canada and the United States of America with Respect to Taxes on Income and on Capital  
July 2001 Release

## **11. Regulation of Specific Industries**

### **(a) Securities**

#### **Recommended Resources:**

- ♦ Ontario Securities Commission, “Notice of National Policy 47-201, Trading in Securities Using the Internet and Other Electronic Means”, (Ontario Securities Commission Website, 1998) [\*III 247]
- ♦ Alberta Securities Commission, In the Matter of World Stock Exchange, Feb. 15, 2000 [\*II 993]
- ♦ Toronto Stock Exchange, “Electronic Communications Disclosure Guidelines” (Toronto Stock Exchange Regulation Services Website, 1999) [\*III 254]

### **(b) Legal Services**

#### **Recommended Resources:**

- ♦ Law Society of Alberta, “Guidelines on Ethics and the New Technology”, (Law Society of Alberta Website, 1998) [\*III 262]
- ♦ *Unauthorized Practice of Law Committee v. Parsons Technology, Inc. D/B/A Quicken Family Lawyer* 1999 U.S. Dist. LEXIS 813 (N.D. Texas), overturned on appeal 179 F. 3d 956 (5<sup>th</sup> Cir. Tex. 1999) [\*III 271]

### **(c) Medicine/Pharmaceuticals**

#### **Recommended Resources:**

- ♦ E. Le Bourdais, “When Medicine Moves to the Internet, its Legal Issues Tag Along” (1997) 157(10) *Canadian Medical Association Journal* 1431 (CMA Website, 1997) [\*III 282]
- ♦ R.A. Rosenblatt & E. Chens, “House Backs Drug Sales By Net, Mail” (12 July 2001) (LATimes.com Website) [\*III 288]



**(d) Gambling**

**Recommended Resources:**

- ♦ Australian National Office for the Information Economy (NOIE), “Summary of the Interactive Gambling Act 2001”, (NOIE Website, 2001) [\*III 291]

**Additional References (optional):**

- ♦ T.E. Loscalzo & S.J. Shapiro, “Internet Gambling Policy: Prohibition Versus Regulation” (2000) 7 *Villanova Sports and Entertainment Law Journal* 11

## **12. Regulation of Online Defamation**

**(a) Defamation on the Internet**

**Recommended Resources:**

- ♦ Braintech, Inc. v. Kostiuk, [1999] B.C.J. No. 622 (C.A.) [\*II 979]
- ♦ Godfrey v. Demon Internet Ltd. [2001] QB 201 (U.K. Q.B.) [\*III 296]

**(b) Online Anonymity**

**Recommended Resources:**

- ♦ Irwin Toy Ltd. v. Doe [2000] O.J. No. 3318 [\*III 305]
- ♦ C. Mandel, “Defame Game Serious in Canada”, *Wired News* (14 September 2000) [\*III 308]

## **13. Appendix – Precedent Agreements and Case Study Materials**

### **(a) Project Check-list**

### **(b) Employee Agreements**

- ♦ Employment Agreement [\*III 310]
- ♦ Assignment of Copyright [\*III 323]

### **(c) Software Development Agreements**

- ♦ Development Agreement [\*III 325]

### **(d) User Licensing**

- ♦ Sample Licensing Clauses [\*III 339]
- ♦ User Licence [\*III 343]
- ♦ Shrinkwrap User Licence [\*III 356]
- ♦ Evaluation Licence [\*III 359]

### **(e) ISP Agreement [\*III 365]**

### **(f) Support and Maintenance Agreement**

- ♦ Technology Management, Maintenance and Support Agreement [\*III 377]

### **(g) Other Business Agreements**

- ♦ Proprietary Information Disclosure Agreement [\*III 388]
- ♦ Escrow Agreement [\*III 398]
- ♦ Business Continuity Services Agreement [\*III 407]
- ♦ Home Page Hosting Agreement [\*III 421]

### **(h) Case Study Materials – Bizsmart.com**

